

# MWSBE Disparity Study Implementation Plan

Board of County Commissioners  
FY2022 Annual Retreat  
January 27, 2021



# Agenda



Implementation Plan Objective



Mecklenburg County Stakeholders and Roles



Overview of Implementation Plan Timeline

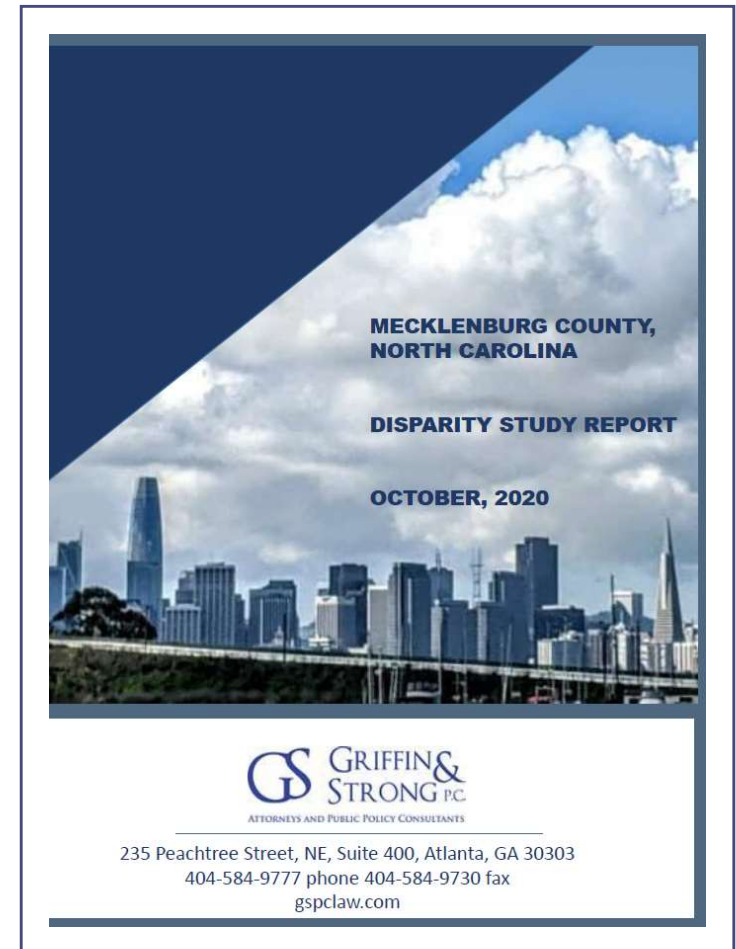


Review of 11 Recommendations and Timelines

# Implementation Plan Objective

Coordinate Enterprise efforts to implement recommendations from the Disparity Study and to document progress.

**Full Disparity Study Report:**  
[www.mecknc.gov/edo/MWSBE/](http://www.mecknc.gov/edo/MWSBE/)





# County Stakeholders and Roles

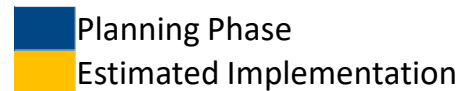
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- County Manager's Office
  - Overall Guidance
  - Business Process Management Services
- Financial Services
  - Procurement Policies and Procedures
  - Data Collection and Maintenance
- Department Project Managers
  - Project Forecasting
  - Project Management
  - Includes all County departments and Business Partners
- Office of Economic Development
  - Contract Compliance
  - Supportive Services
  - Program Management





# Overview of Implementation Plan Timeline



Recommendation	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	Q1 FY2023
1) Allocation of Resources, Including Staffing	Budget Preparation						
2) MWBE Subcontracting Goals	Phase 1 Planning			Phase 2 Planning			
3) Robust Good Faith Efforts	Planning						
4) Small Business Reserve Program			Planning and Program Development				
5) Increased Vendor Rotation	Planning						
6) Mandatory Subcontracting	Phase 1 Planning			Phase 2 Planning			
7) Strengthen Forecasting	Planning						
8) Supportive Services	Planning						
9) Prompt Pay Ordinance	Planning						
10) Encourage Joint Ventures	Planning						
11) Data Maintenance Reform	Planning						

## Recommendation #1

### Allocation of Resources, Including Staffing

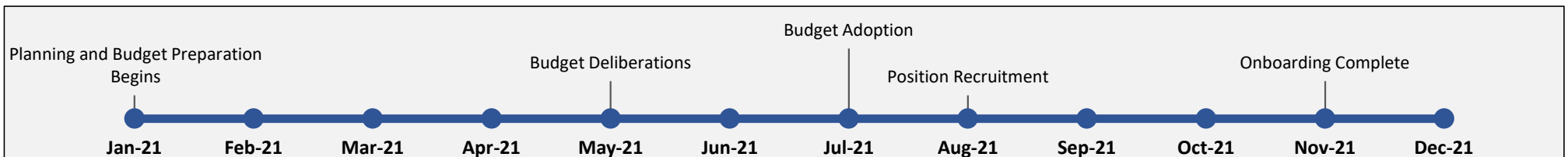


**Description:** The County currently has two full-time equivalent staff members assigned to its MWSBE Program. The Disparity Study recommendations call for an additional 2 to 3 Contract Compliance positions in order to operate a full and robust MWSBE Program. Providing a reasonable budget and having sufficient staff are critical to a successful program.

#### Plan(s):

1. In collaboration with the Office of Management and Budget, the Office of Economic Development will prepare budget recommendations to allocate additional resources to the MWSBE program in the FY2022 Budget.
  - The estimated annual cost of one full-time Contract Compliance position is \$95,800 (including salary, benefits and ancillary costs)
2. Core departments will conduct a staffing needs assessment as they anticipate their need for 1-3 full-time staff members being added to each of their teams to address and manage the recommendations and ongoing program needs. Future requests may be anticipated.

#### Timeline:



## Recommendation #2

### MWBE Subcontracting Goals

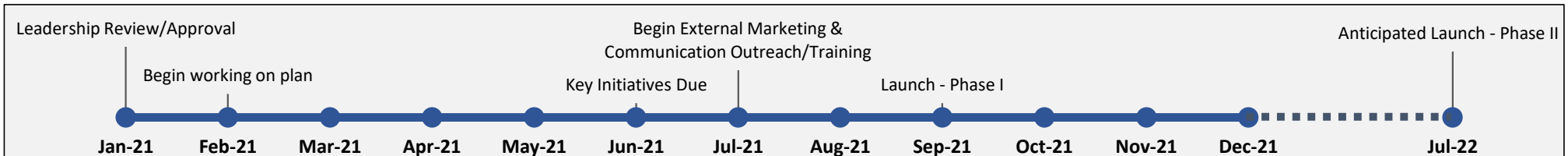


**Description:** The Disparity Study provides a basis for the County to have a robust race and gender-based subcontractor program that includes both contract goals and annual goals. However, to begin the program, the Study suggests that the County only set goals on Construction projects for the first year of the program until additional staff is added. Setting separate Minority and Women goals will help to ensure equitable utilization of subcontractors. The Minority contract goals should be based upon the combined availability of all ethnic groups in order to gain an incentive for Prime Contractors to utilize firms owned by all ethnic minority groups.

#### Plan(s):

1. Set separate Minority and Women subcontracting goals (phased approach)
  - Phase I – Construction (determine threshold)
  - Phase II – Construction (lower threshold) / Procurement
  - Phase III (if necessary) - TBD
2. Set internal (MeckNC) aspirational goals for prime contractors
3. Create goal setting review committee(s): conduct market availability analysis & threshold training for phased approach
4. Legal and general statute review
5. Update process documentation/language (provision guides, project manuals, etc.) - Compliance and penalty enforcement
6. External Marketing and Communication Outreach/Training

#### Timeline:



## Recommendation #3

### Robust Good Faith Efforts

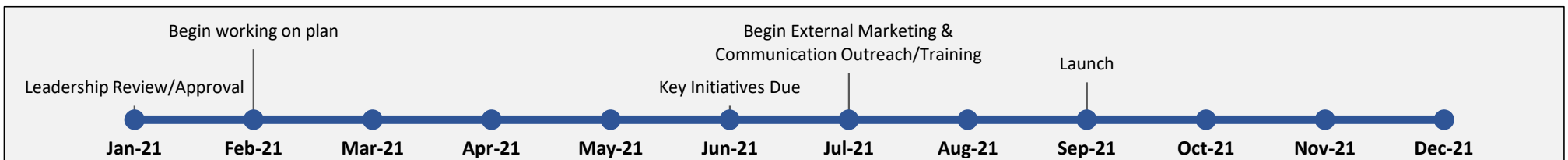


**Description:** If firms do not meet the MWBE contract-by-contract goals, they should demonstrate Good Faith Efforts. The State of North Carolina has a 50-point system to measure Good Faith Efforts that can be modified to meet the County's objectives. If a firm does not meet the MWBE goals or does not satisfy Good Faith Efforts, they should be deemed non-responsive and their cost proposal should not be opened.

#### Plan(s):

1. Update the Good Faith Effort Point System
  - Update process documentation/language (provision guides, and project manuals, etc.)
    - Compliance and penalty enforcement
  - Develop communication plan
  - Determine threshold and process for exceptions
  - Set internal (MeckNC) Good Faith Effort plan, and prepare for projects under Good Faith Effort program threshold
  - Legal and general statute review
  - External Marketing and Communication Outreach/Training

#### Timeline:





## Recommendation #4

### Small Business Reserve Program

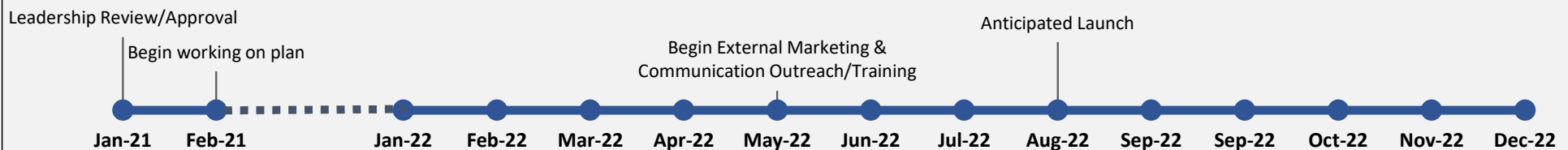


**Description:** Availability estimates demonstrate that there are sufficient numbers of MWBE firms that can do the work of prime contractors. The first step to remedy this inequity is to institute a race and gender-neutral program that designates certain contracts, particularly in Construction, that can only be bid on by small businesses. This is an excellent way to get firms that have only worked as subcontractors to bid as prime contractors and grow their capacity. This will ultimately result in more competition in the marketplace. But it is important to provide supportive services to firms making this transition.

#### Plan(s):

1. Establish a Small Business Reserve Program
  - Determine what constitutes small business
  - Update process documentation/language (provision guides, and project manuals, etc.)
  - Develop communication plan
  - Determine threshold and process for exceptions
    - Review Executive Order 143 – contracts that do not exceed \$250,000
  - Legal and general statute review
  - External Marketing and Communication Outreach/Training

#### Timeline:



## Recommendation #5

### Increased Vendor Rotation



**Description:** County procurement policy already allows for vendor rotation. Some agencies use vendor rotation to limit routine purchases from majority firms, particularly in Professional Services, and to ensure that MWSBEs have an opportunity to bid along with majority firms. Requiring rotation of diverse teams can assist in this area.

#### Plan(s):

1. Establish procedures to ensure vendor rotation and process for exceptions
  - Update process documentation/language (provision guides, and project manuals, etc.)
  - Develop communication plan
  - Determine threshold and/or project type, limits, exceptions, and process for exceptions
  - Understand cooperative agreements limitations/restrictions
  - Legal and general statute review
  - Review past projects with consecutive awards/renewals
  - External Marketing and Communication Outreach/Training

#### Timeline:



## Recommendation #6

### Mandatory Subcontracting



**Description:** Mandatory subcontracting requires firms with awards over a determined threshold to subcontract a percentage of their work to subcontractors. This will assist in creating more opportunities for small businesses, MWBEs, and require MWBE prime contractors to meet the MWBE goals.

#### Plan(s):

1. Develop mandatory subcontracting policies for projects
  - Phase I – Construction (determine threshold and process for exceptions)
  - Phase II – Construction (lower threshold) / Procurement (determine threshold and process for exceptions)
  - Phase III (if necessary) - TBD
  - Update process documentation/language (provision guides, and project manuals, etc.)
    - Compliance and penalty enforcement
  - Develop communication plan
  - Legal and general statute review
  - External Marketing and Communication Outreach/Training

#### Timeline:



## Recommendation #7

### Strengthen Forecasting

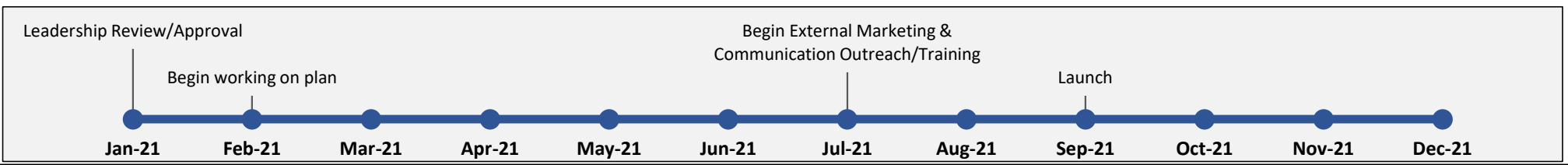


**Description:** Planning plays an important role in establishing and maintaining effective remedial programs. This begins with understanding what services and goods the County will be buying in the year to come. (*Targeted Outreach*) Annual forecasting will enable the contract compliance personnel to target firms that are capable of doing the work for notification of the work. (*Encourage Teaming*) Knowing ahead of time what work will be presented in the coming year will give room for contract compliance to schedule networking events and encourage firms to team. It also gives more time for mandatory pre-bid conferences where potential prime contractors can meet potential subcontractors.

#### Plan(s):

1. Maintain publications of Projects-at-a-Glance (started April 2020)
2. Create a strategic plan for forecasting opportunities in advance
  - Update process documentation/language (provision guides, and project manuals, etc.)
  - Recurring meetings with departments enterprise-wide
  - Develop communication and marketing plan for projects-at-a-glance and outreach events/activities
  - Targeted outreach events/activities
  - External Marketing and Communication Outreach/Training (if needed)

#### Timeline: Brief context for timeline



## Recommendation #8

### Supportive Services



**Description:** Annual forecasting will allow the County to provide supportive services well in advance of the bid issuance, if needed. Supportive services may be offered internally in coordination with other agencies, the Small Business Administration bonding program, and the Small Business Development Centers. This is particularly important on the County's large capital projects to insure diverse supplier participation.

#### Plan(s):

1. Update process documentation/language (provision guides, and project manuals, etc.)
  - Develop communication and marketing plan
    - Include Office of Economic Development services in vendor/bidder information/communication
  - Cultivate strategic partnerships
  - Review need for MWSBE Advisory Committee (consider future recommendations from this committee for additional supportive services)
  - Leverage GSPC scorecard template for enterprise-wide use
    - Recurring compliance meetings with department managers enterprise-wide (Office of Economic Development)
2. Implement Mecklenburg County Business Launchpad grant program to help MWBEs be successful in governmental and institutional contracting
3. Evaluate the need for mentor/protégé program

#### Timeline:



## Recommendation #9

### Prompt Pay Ordinance



**Description:** The Disparity Study recommends that the County review prompt payment compliance under state law for its payments and for its prime contractors. This is particularly important because it assists small businesses in meeting their financial obligations.

#### Plan(s):

1. Establish a prompt pay ordinance
  - Update process documentation/language (provision guides, and project manuals, etc.)
    - Compliance and penalty enforcement
  - Develop communication plan
  - Legal and general statute review
  - External Marketing and Communication Outreach/Training (if needed)

#### Timeline:





## Recommendation #10

### Encourage Joint Ventures



**Description:** On very large Construction projects, the County should encourage firms to joint venture with Minority firms. This will assist Minority firms to build their capacity.

#### Plan(s):

1. Determine project threshold and exceptions
2. Create process to track and report funding for each firm involved
3. Update process documentation/language (provision guides, and project manuals, etc.)
4. Develop communication plan
5. Legal and general statute review
6. External Marketing and Communication Outreach/Training

#### Timeline:



## Recommendation #11

### Data Maintenance Reform

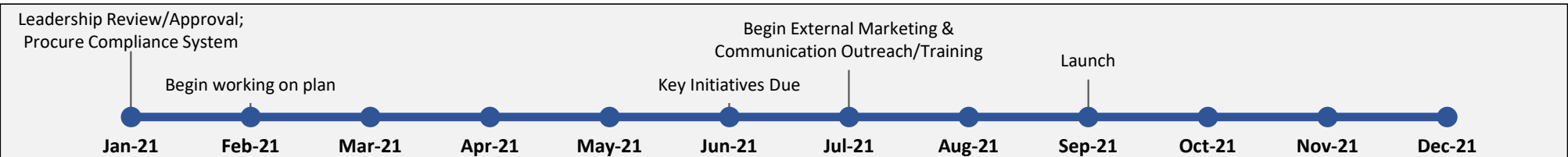


**Description:** Revise data collection and maintenance policies and procedures as noted within the Disparity Study to facilitate program tracking and evaluation.

#### Plan(s):

1. Procure, integration, and implement MWSBE Compliance Tracking Solution (Funding provided in the FY2020 Technology Reserve)
2. Revise NIGP commodity code process/practice
3. Revise vendor data process
4. Update process documentation/language (provision guides, and project manuals, etc.)
  - Create a process to document and communicate tracking of awards by project
  - Create a process for bidders to register as vendors (simplify process)
  - Standardize data input enterprise-wide
  - Capture race/ethnicity and gender in vendor registration and contracting
5. External Marketing and Communication Outreach/Training, and deployment

#### Timeline:



## Possible Budget Items



Cumulative Budget Items	FTE	FY2022 Cost	FY2023 Cost	FY2024 Cost	FY2025 Cost	FY2026 Cost
<b>Staffing</b>						
OED – Compliance Officer	3	\$287,400	\$296,022	\$304,903	\$314,050	\$323,471
FIN – Procurement Analyst	0.5	\$35,248	\$36,305	\$37,395	\$38,516	\$39,672
FIN – Assistant Fiscal Analyst	1	\$59,303	\$61,082	\$62,915	\$64,802	\$66,746
AFM – Management Analyst	2	\$171,697	\$176,848	\$182,153	\$187,618	\$193,246
LUE – Management Analyst*	2	\$171,697	\$176,848	\$182,153	\$187,618	\$193,246
LUE – Project Manager*	1		\$105,686	\$108,857	\$112,122	\$115,486
PRK – Management Analyst	1	\$85,849	\$88,424	\$91,077	\$93,810	\$96,624
<b>Marketing &amp; Communication</b>		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>Information Technology</b>		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
<b>Disparity Study</b>						\$300,000
<b>LUE Consulting*</b>		\$75,000	\$75,000			
<b>New Budget Item Cost</b>	<b>9.5</b>	<b>\$976,194</b>	<b>\$105,686</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>
<b>Ongoing Cost</b>		<b>\$0</b>	<b>\$1,000,530</b>	<b>\$1,059,452</b>	<b>\$1,088,536</b>	<b>\$1,118,492</b>
<b>Total Annual Cost</b>	<b>9.5</b>	<b>\$976,194</b>	<b>\$1,106,216</b>	<b>\$1,059,452</b>	<b>\$1,088,536</b>	<b>\$1,418,492</b>

**Acronyms:** OED (Office of Economic Development); FIN (Financial Services); AFM (Asset and Facility Management); LUE (Land Use & Environmental Services); PRK (Park and Recreation)

\*Fee-funded from Land Use & Environmental Services Agency Fees

Note: An italicized number indicates an ongoing cost (staffing costs are increased by 3% in each subsequent year)

# Next Steps

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Continue developing processes and procedures to implement recommendations

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Formulate resource needs throughout organization

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Implement recommendations and provide updates to the Board of County Commissioners

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